#### SCHOOL STANDARDS AND FRAMEWORK ACT 1998

Account, prepared pursuant to Schedule 1, para 7(1) of the School Standards and Framework Act 1998, of the Bolton Education Action Zone for the period ended 9 January 2005, together with the Comptroller and Auditor General's Certificate and Report thereon. (In continuation of House of Commons Paper No. 1163 of 2003-2004)

Presented pursuant to School Standards and Framework Act 1998, Sch. 1, s 11, para 7(3)

## Bolton Education Action Zone Account 1 April 2004 to 9 January 2005

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### Legal and Administrative Information

#### Trustees

J Wallington\* (Chairman)
J Mann\* (Vice Chair)

L Lescure\* V Holland\* A Marsden V Reardon\*

G McKean\* (Project Director)

M Cash DfES

B Lynam P Roberts\* B Davies T Dobie C Bridge L Thomas\* D Johnson D Brierley H Doherty

#### Secretary

P Wilson

#### **EAZ Office**

C/O Crompton Fold Primary School Poulton Avenue Bolton BL2 6EG

#### **Auditors**

Comptroller and Auditor General National Audit Office 157-197 Buckingham Palace Road London SW1W 9SP

#### **Bankers**

Lloyds TSB PLC Hotel Street Bolton BL1 1DB

<sup>\*</sup> Members of Executive sub committee

### Report of the Trustees

The Trustees present their report and the audited financial statements for the period ended 9 January 2005.

#### Constitution and principal activities

The Bolton EAZ Action Forum is a corporate body and exempt charity established on 9 January 2000 under the 1998 School Standards and Framework Act. The Forum does not have a share capital. This Act and its associated regulations are the primary governing documents of the Forum. Trustees of the Forum were nominated by the shadow Forum.

The principal activity of the Forum is to improve standards within the schools that are part of its Education Action Zone.

In accordance with the Act the Forum has adopted an 'Action Plan' approved by the Secretary of State for Education and Skills. The Action Plan specifies, amongst other things

- raising standards; and
- promoting inclusion.

#### **Future prospects**

Under the 1998 School Standards and Framework Act the Education Action Zone was given statutory life of no more than five years. As this period was completed on 9 January 2005 the Secretary of State for Education and Skills has passed an order closing the Zone with effect from this date.

#### Going concern

In view of the cessation of the Forum's activities on 9 January 2005 the Trustees no longer consider the preparation of the accounts on a going concern basis to be appropriate. Upon closure the Zone's assets and liabilities have been transferred to Bolton LEA at net book value. No adjustments have been necessary to the net book value of assets held immediately prior to closure.

#### Organisation and objectives

The sole activity of the Forum is the operation of the Bolton EAZ.

The operational management structure of the EAZ consists of a Project Director, an Assistant Project Director and an Administration Manager who report to the Forum.

The Action Forum has a sub committee to which it devolves many of its day-to-day management responsibilities. This is

#### ■ Executive Committee.

The aim of the management structure is to involve schools and business partners and encourage involvement in decision making at all levels.

The present Trustees of the EAZ are set out on page 2 of this report.

#### Developments, activities and achievements

Many of the seeds sown in the previous years have come to fruition in the fifth and final year of Bolton EAZ. Rather than resting on laurels, however, there has also been much vigorous forward planning in order to ensure a seamless transformation of the EAZ into Excellence Cluster. DfES has now formally approved the transformation action plan for the EAZ to become Bolton Excellence Cluster on 10 January 2005.

Many of the developments and activities in Year 5 reinforce the importance of the close working relationship between the EAZ and East Bolton Regeneration. A single coherent strategy towards education has provided the schools with a wide-area-network, which will contribute enormously to our ongoing mission to raise standards. The effective use of ICT now evident in our schools has played a significant role in the improvement, for example in Key Stage (KS)4, and this was the reason behind our decision to continue to invest in this area. Similarly, the enthusiastic embrace of the international curriculum in the primary schools and its clear influence on improving standards in KS2 persuaded the EAZ to invest in a considerable expansion of each school's library.

In summary, Bolton EAZ has achieved much in its lifespan. The target set by DfES to raise £1.25 million over five years was passed in Year 5 and enabled the EAZ to draw that same amount in matched funding. We believe that the additional funding has been invested wisely in a sustainable programme for the continual improvement in our schools and in more positive attitudes to lifelong learning.

#### Operating and financial review

The financial statements have been prepared in accordance with current statutory requirements and the Forum's governing documents.

Most of the EAZ's income is obtained from the Department for Education and Skills (DfES) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the period to 9 January 2005 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. During 2004-2005 the EAZ also received other restricted grants from the DfES and other Government Departments/Agencies and donations from commercial sponsors, the details of which are in notes 3, 4 and 5. These included grants from the New Opportunities Fund for Summer Schools and Out of School Hours activities. These donations have been given to the EAZ to assist it to achieve its Action Plan and have been fully expended.

Expenditure for the period exceeded grants from the DfES and other income and the excess of resources expended over incoming resources for the 10 months was £93,000.

Funding of £42,000 was received for Excellence Challenge projects. This was applied to the Excellence Challenge Programme of activities including study skills days, visits to Higher Education Institutions and mentoring students.

At 9 January 2005 the net book value of fixed assets was £nil and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets are used exclusively for providing education and associated support services to the pupils of the EAZ.

#### Fund review

When the EAZ ceased to operate on 9 January 2005 its fund balances were nil. Fund balances existing prior to this date were utilised in fulfilment of the Zone's objectives. Immediately prior to cessation £18,000 was transferred to Bolton LEA, which has been nominated as successor body committed to overseeing any outstanding matters. To achieve its Action Plan objectives the EAZ remained dependent on the provision of grants from both the DfES and commercial sponsors.

#### Connected organisations

The EAZ worked closely with its partnership schools to achieve the Forum's objectives. The partnership schools were

Withins Secondary School Thornleigh Salesian College Firwood Special School Blackshaw CPS Bolton Parish C of E PS Castle Hill CPS Christ's Church C of E PS Crompton Fold PS Moorgate CPS **Red Lane CPS** Roscow Fold VCPS St Andrew RCPS St Columba's RCPS St Osmund RCPS St Stephen and All Martyrs C of E PS The Moss CPS Tonge Moor CPS Top o'th' Brow CPS

Bolton Wanderers Football Club were business sponsors of the Forum and have donated the amounts shown in note 5 to assist the Forum to achieve its objectives. The Forum also contracted with Bolton LEA to provide company secretariat and personnel services.

#### Disabled persons

The policy of the Forum is to support the employment of disabled persons both in the recruitment and by retention of employees who become disabled whilst in the employment of the Forum, as well as generally through training and career development.

#### Post balance sheet events

The Zone ceased all activities at the end of its statutory life on 9 January 2005. At this date it transformed into Bolton Excellence Cluster. In the period ended 9 January 2005 redundancy and retirement benefit costs of £50,000 were incurred. This includes £12,000 of the amounts transferred to the Nominated Successor Body.

No other events have occurred since the balance sheet date that affect the financial statements.

#### Reserves policy

The Forum cannot build up restricted reserves of DfES grant as the Department requires that this grant should be applied in the year in which it is received. Where the Forum has earned unrestricted income (e.g. bank interest) it is the Forum's policy to apply these reserves to its curriculum enhancement programme.

#### Risk management

In December 2003 the Trustees carried out a detailed review of the charity's activities and produced a comprehensive strategic plan setting out the major opportunities available to the charity and the risks to which it is exposed. The Trustees monitor progress against the strategic objectives set out in the plan at each quarterly meeting and a comprehensive review of the plan is carried out annually. As part of this process, the Trustees have implemented a risk management strategy which comprises

- an annual review of the risks which the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

#### Statement on Internal Control

#### a Maintenance of internal controls

As Trustees, we have responsibility for maintaining a sound system of internal control that supports the achievement of the Forum's policies, aims and objectives, whilst safeguarding the public funds and assets for which we are responsible, in accordance with the responsibilities assigned to us in our Financial Memorandum and Government Accounting.

The system of internal control established by the Forum is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system is based on an ongoing process designed to identify the principal risks to the achievement of Forum policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

This process has been in place for the period ended 9 January 2005 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

As the Forum ceased on 9 January 2005 the system of internal control reflected the requirement to identify, evaluate and mitigate the principal risks associated with closure, including

- loss of key personnel;
- continuing support of key private sector partners; and
- maintaining key financial controls and continued segregation of duties.

#### b Review of controls

As Trustees, we also have responsibility for reviewing the effectiveness of the system of internal control. In 2004-2005 the Forum established the following processes

- the Forum continues to regularly review the Zone's Finance Procedures to ensure that recommendations from the DfES are covered;
- regular reviews between the Project Director, the Chairman and Executive Committee ensure that the Forum can respond quickly to minimise any potential impact on the Zone should any of those risks materialise;
- the monitoring and evaluation process reviews progress against the strategic objectives set out in the plan at each Forum meeting;
- **a** Transformation Committee to ensure a smooth transformation to Excellence Cluster and review progress against the transformation timetable; and
- the risk register drawn up by the Forum details responsibility for risk ownership.

The Forum ensured the continuation of good practice achieved by the Zone by

- use of Baker Tilly to complete the Statutory Accounts and review final period procedures;
- telephoning suppliers to ensure invoices received promptly; and
- increasing the frequency and rigour of cashflow monitoring to a weekly review signed off by the Project Director.

Our review of the effectiveness of the system of internal control is informed by comments made by the external auditors in their management letter and other reports.

## Statement of Trustees' responsibilities for the Financial Statements

Under the School Standards and Framework Act 1998, Trustees are required to prepare financial statements for each financial period in the form and on the basis determined by the Secretary of State with the approval of the Treasury. In preparing these financial statements, the Trustees have

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the basis that the Forum's activities were ceasing.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Forum and enable them to ensure that the financial statements comply with the Accounts Direction given by the Secretary of State. They are also responsible for safeguarding the assets of the Forum and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have a responsibility to ensure that the Forum's accounting records and system of internal financial control for the relevant financial period comply with the obligations placed on the Forum by the Secretary of State for Education and Skills.

#### **Auditors**

The auditor, the Comptroller and Auditor General, is appointed under the terms of the 1998 School Standards and Framework Act.

#### **Approval**

The report of the Trustees was approved on 16 March 2005 and signed on its behalf by

John Wallington Chairman

## The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 10 to 24 under the School Standards and Framework Act 1998. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 14 to 15.

#### Respective responsibilities of the Trustees and Auditor

As described on page 7 the Trustees are responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Trustees are also responsible for the preparation of the Trustees' Annual Report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the School Standards and Framework Act 1998 and directions made thereunder by the Secretary of State for Education and Skills, whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and whether the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Trustees' Annual Report is not consistent with the financial statements, if the Forum has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on pages 6 reflects the Forum's compliance with HMTreasury's guidance 'Corporate governance: statement on the system of internal control'. I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

#### Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Zone's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Following the passing of the Bolton Education Action Zone (Dissolution) Order 2005, the Zone ceased to exist with effect from 9 January 2005. Accordingly as explained in the Trustees' Report and Note 1 to the accounts, the financial statements have been prepared on the basis that the Zone is no longer a going concern. My opinion is not qualified in this respect.

#### Opinion

#### In my opinion

- the financial statements give a true and fair view of the state of affairs of the Bolton EAZ at 9 January 2005 and of its incoming resources, application of resources and cash flows for the period then ended and have been properly prepared in accordance with the School Standards and Framework Act 1998 and directions made thereunder by the Secretary of State for Education and Skills; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn Comptroller and Auditor General

23 March 2005

National Audit Office 157-197 Buckingham Palace Road Victoria London SW1W 9SP

## Statement of Financial Activities for the period ended 9 January 2005

Not	tes Un	restricted Funds	DfES	Restricted funds Other Fixed assets		Total Period ended 9 January 2005	Total Year ended 31 March 2004
		£000	£000	£000	£000	£000	£000
Incoming resources							
DfES grants receivable	2,3	0	832	56	0	888	885
Other government grants receivable	4	0	0	14	0	14	110
Private sector contributions	5	116	0	0	0	116	324
Public sector contributions	5	0	0	0	0	0	0
Other income	6	4	0	0	0	4	19
Amortisation transfer		0	0	0	0	0	0
Total incoming resources		120	832	70	0	1,022	1,338
Resources expended							
Costs of generating funds	7	0	0	0	0	0	2
Net incoming resources for charitable application		120	832	70	0	1,022	1,336
Charitable expenditure						•	,
Costs in furtherance of charitable o	bjectives						
Provision of education	7	61	269	37	0	367	422
Education support costs	7	117	106	40	0	263	618
Grants payable	7	6	250	0	0	256	0
Management and administration	7	0	174	0	0	174	231
Total charitable expenditure		184	799	77	0	1,060	1,271
Costs of termination of operations	5 9	0	55	0	0	55	0
Total resources expended		184	854	77	0	1,115	1,273
Net incoming/(outgoing) resources before transfers		(6.4)	(22)	(7)	0	(03)	65
Transfers between funds		(64) 0	(22)	(/)	0	(93) 0	65 0
Net movement in funds		(64)	(22)	(7)	0	(93)	65
Fund balances brought forward at 1 April 2004		64	22	7	0	93	28
Fund balances carried forward at 9 January 2005	18,19						93
•	•						

The Statement of Financial Activities analyses all the capital and income resources and expenditures of the EAZ during the period and reconciles the movement in funds. There is no difference in the net movement of funds stated above and its historical equivalent.

All items dealt with in arriving at the Net Movement in Funds for the period ended 9 January 2005 relate to discontinued operations.

Further analysis of the income and expenditure for the period is shown on page 11 and the overall financial position at the period end is summarised in the balance sheet on page 12.

## Income and Expenditure Account for the period ended 9 January 2005

N	Notes	Period ended 9 January 2005 £000	Year ended 31 March 2004 £000
Income			
DfES EAZ recurrent grant	2	832	830
DfES EAZ fixed asset grant	2	0	0
Other DfES grants	3	56	55
Other Government grants	4	14	110
Private sector contributions	5	116	324
Public sector contributions	5	0	0
Other income	6	4	19
Amortisation/deferred income		0	0
Total income		1,022	1,338
Charitable expenditure			
DfES EAZ grant expenditure	7	793	811
Other DfES grant expenditure	7	62	58
Other Government grant expenditure	7	15	109
Depreciation	7	0	4
Other expenditure	7	190	289
Total charitable expenditure		1,060	1,271
Costs of generating funds	7	0	2
Costs of termination of operations	9	55	0
Total resources expended		1,115	1,273
Excess of expenditure over income		(93)	65
Net transfers to/from funds			
DfES EAZ fund	18	(22)	17
Other restricted funds	18	(7)	(6)
Unrestricted funds	19	(64)	54
Net movement in funds		(93)	65

The Income and Expenditure account is derived from the Statement of Financial Activities on page 10 which, together with the notes to the accounts on pages 14 to 24 provide, full information on the movements during the period on all the funds of the Forum.

All items dealt with in arriving at the excess of expenditure over income for the period ended 9 January 2005 relate to discontinued operations.

The Forum has no recognised gains and losses other than those included in the above results and therefore no separate statement of total recognised gains and losses has been presented.

### Balance Sheet as at 9 January 2005

	Notes	9 January 2005 £000	31 March 2004 £000
Fixed assets			
Tangible assets	13	0	0
		0	0
Current assets			
Debtors	15	0	9
Cash at bank and in hand		0	102
		0	111
Creditors: amounts falling due within one period	16	0	18
Net current assets		0	93
Net assets		0	93
Funds			
Restricted funds	18	0	29
Unrestricted funds	19	0	64
		0	93

The financial statements were approved by the Forum on 16 March 2005 and signed on its behalf by

John Wallington Chairman

## Cash Flow Statement for the period ended 9 January 2005

Note <b>Pe</b>	riod ended 9 January 2005 £000	Year ended 31 March 2004 £000
Operating activities		
Receipts		
Recurrent EAZ grant received from DfES	832	830
Capital grant from DfES	0	0
Other DfES grants	56	55
Other Government grants	23	120
Private sector sponsorship	23	78
Public sector sponsorship	0	0
Other receipts	0	32
	934	1,115
Payments		
Staff costs	197	219
Other cash payments	843	891
Net cash (outflow)/inflow from operating activities 24	(106)	5
Returns on investments and servicing of finance		
Interest received	4	3
Interest paid	0	0
	4	3
Capital expenditure		
Purchase of tangible fixed assets	0	0
Receipts from sale of tangible fixed assets	0	0
Transfer of tangible fixed assets to schools	0	0
	0	0
Financing		
Deferred grant received	0	0
	0	0
(Decrease)/increase in cash in the period	(102)	8

#### Notes to the Financial Statements

#### 1 Accounting policies

#### Format of accounts

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice (SORP 2000), 'Accounting and Reporting by Charities' published in October 2000 and the Charities Act 1993. A summary of the principal accounting policies, which have been applied consistently, is set out below.

#### Basis of accounting

The Forum came to the end of its statutory life on 9 January 2005. The Trustees therefore consider it inappropriate to prepare the financial statements on a going concern basis and have reflected this in drawing up the accounts.

#### Recognition of income

The annual EAZ grant from the DfES, which is intended to meet recurrent costs and, where specified, to purchase fixed assets, is credited direct to the income and expenditure account as restricted income. Sponsorship monies are credited direct to the income and expenditure account as unrestricted income, as the Forum has discretion in how to apply such contributions to meet its objectives.

#### Contributions in Kind

In accordance with the Accounts direction provided by the Secretary of State for Education and Skills an income value is attributed to Contributions in Kind from business. These contributions are brought into the accounts at a reasonable estimate of their value to the Forum, in the period in which they are receivable, as all gifts in Kind represent expenditure which the Forum would have had to incur; a notional expenditure charge is recorded equal to the value of the Contribution in Kind to the Forum.

#### Grants receivable

Where other grants have been received these are credited to the income and expenditure account as restricted income.

#### Investment income and interest receivable

Investment income and interest receivable are included in the financial statements on an accruals basis, and are stated inclusive of related tax credits.

#### Management and administration

Management and administration costs include expenditure on the administration of the charity and compliance with constitutional and statutory requirements, and an appropriate apportionment of indirect costs.

#### Allocation of cost

In accordance with the charities SORP expenditure has been analysed between charitable and other expenditure. The only activity undertaken by the EAZ is the operation of Bolton EAZ and indirect charitable expenditure reflects the costs of management and administration. This is necessary for the operation of the EAZ.

#### Tangible fixed assets

Tangible fixed assets, costing more than £2,500 acquired since the Forum was established are included in the accounts at cost. Where fixed assets are purchased for use by the Zone schools, ownership of the asset will pass to the school.

#### Depreciation

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for the Zone's assets are

#### Computer equipment

66%

Depreciation is charged for part year in both the year of acquisition and year of disposal of fixed assets.

#### Resources expended

Items are included as direct charitable expenditure where, in the view of the Forum, the activities relate to staff costs incurred when in direct contact with pupils.

#### Funds structure

Funds have been designated for restricted and unrestricted purposes. Fund balances existing immediately prior to the Zone's closure were transferred to Bolton LEA to meeting outstanding liabilities.

#### Taxation

The Forum is an exempt charity and as such is exempt from Income and Corporation taxes under the provisions of the Income and Corporation Taxes Act 1988. The cost of Value Added Tax incurred by the Forum has been included in the Income and Expenditure account.

#### **Pensions**

The Employees of the EAZ are members of the Local Government Pension Scheme. The Forum makes pension contributions on behalf of the employees via the Local Education Authority who operate this payroll. This is a defined benefit scheme.

#### 2 DfES EAZ grant

Per	iod ended 9 January 2005 £000	Year ended 31 March 2004 £000
DfES grant received in period	832	830
Carry over from previous period	28	11
Less		
Amounts due from DfES	0	0
Amount used to purchase fixed assets	0	0
Total grant available to spend	860	841
Spent in the period	860	813
Underspent grant/[funded from general fund]	0	28
Maximum permitted carry over level	0	65
Excess grant to surrender	0	0

The Trustees have not calculated a maximum permitted carry over level as the Zone is no longer a going concern.

#### 3 Other DfES grants

Per	iod ended	Year ended
	9 January	31 March
	2005	2004
	£000	£000
Aim Higher/Excellence Challenge	42	46
Gifted and Talented Summer Schools	4	9
Transformation Grant	10	0
	56	55

#### 4 Other government grants

Per	iod ended	Year ended
	9 January	31 March
	2005	2004
	£000	£000
New Opportunties Fund	10	38
SRB	4	72
	14	110

#### 5 Business contributions

	Cash	In Kind	Total Period ended 9 January 2005	Total Year ended 31 March 2004
Private Sector contributions	£000	£000	£000	£000
Bolton Wanderers Football Club	0	34	34	106
Salesian Brothers	0	19	19	30
SS Osmond and Andrews PTA	10	0	10	0
	0	0	0	2
Moorgate PTA Volunteer Reading Help	0	13	13	22
Bolton Parish Friends & PTA		0		3
	1	23	1 23	
Volunteer Helpers National Children's Home	0	23	0	0
	0	-	•	40
Aspull Wrestling Club	0	3	3	10
Crompton Fold PTA	0	0	0	8
Bolton Literacy Trust	0	0	0	15
TOTB Friends	0	0	0	23
Thornleigh PTA	0	0	0	10
Tonge Moor PTA	3	0	3	0
Withins PTA	6	0	6	0
Firwood PTA	3	0	3	0
Other private sector bodies	0	1	1	55
	23	93	116	324
Public sector contributions				
Public sector bodies	0	0	0	0
	23	93	116	324

Parents contributed £1,000 in Kind not included above.

#### 6 Other income

Period endo	ed	Year ended
9 Janua	ry	31 March
200	)5	2004
£00	00	£000
Interest receivable	4	3
Sundry income	0	16
	4	19

#### 7 Total resources expended

	Staff	Depreciation	Other	Total Period ended 9 January 2005	Total Year ended 31 March 2004
	£000	£000	£000		£000
Direct provision of education	0	0	367	367	422
Education support costs	11	0	252	263	618
Grants payable*	0	0	256	256	0
Management and administration	148	0	26	174	231
Costs of generating funds	0	0	0	0	2
Costs of termination of operations	38	0	17	55	0
	197	0	918	1,115	1,273
Of which					
DfES grant expenditure	159	0	634	793	811
Other DfES grant expenditure	0	0	62	62	58
Other Government grant expenditure	0	0	15	15	109
Depreciation	0	0	0	0	4
Other expenditure	0	0	190	190	289
Cost of generating funds	0	0	0	0	2
Costs of termination of operations	38	0	17	55	0
	197	0	918	1,115	1,273

<sup>\*</sup> In 2004-2005 the Zone paid the following ICT grants to schools

	£000
Blackshaw CPS	12
Bolton Parish Church C of E PS	12
Castle Hill CPS	10
Christ's Church C of E PS	12
Crompton Fold PS	20
Moorgate CPS	10
Red Lane CPS	20
Roscow Fold VCPS	6
St Columba RCPS	12
St Osmund RCPS	15
St Stephen & All Martyrs C of E PS	12
Tonge Moor CPS	10
Top o' th' Brow CPS	15
Firwood Special School	15
Withins Secondary School	75
Total	256

24

**67** 

0

#### 8 General expenditure

Included in expenditure in the income and expenditure accounts and in other costs above are

	Period ended 9 January 2005 £000	Year ended 31 March 2004 £000
Educational supplies and services	893	1,022
Occupancy costs	0	20
Supplies and services	2	2
Auditor's remuneration	6	6
Costs of termination	17	0
	918	1,050
9 Costs of termination of operations		
	Period ended 9 January 2005 £000	Year ended 31 March 2004 £000
Staff costs arising from Zone closure	38	0
Cost of post-Zone services provided by nominated successor body	3	0
Transformation consultancy	2	0

The cost of termination of operations in this note differs from that disclosed elsewhere in the accounts, due to the inclusion of the amounts transferred to the successor body to meet the Zone's residual liabilities. As these residual liabilities relate to normal non-closure expenses they have not been disclosed as costs of termination of operations elsewhere in the accounts.

Amounts transferred to nominated successor body to meet residual Zone liabilities

#### 10 Staff costs

The average number of persons (including senior postholders) employed by the EAZ during the period expressed as full time equivalents was

Period end 9 Janua 20	ry 31 March
Management	2 2
Administration	2 3
Teachers	<b>0</b> 0
Total employees	<b>4</b> 5
Period end 9 Janua 20 £0	<b>ry</b> 31 March 2004
Staff costs for the above persons	
Wages and salaries 1:	<b>185</b>
Social security costs	1 <b>2</b> 16
,	l <b>4</b> 18
Costs of termination of operations	0
Total staff costs 19	219

One employee earned more than £50,000 during the period to 9 January 2005. The total emoluments of this employee were in the following range

	Period ended 9 January 2005	
£60,001 - £70,000	1	0
£70,001-£80,000	0	1

#### 11 Emoluments of Trustees

	Period ended	Year ended
	9 January	31 March
	2005	2004
Emoluments of Trustees	0	0

The Trustees of the Forum did not receive any payment from the Forum other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Travel and subsistence expenses reimbursed in the period to 9 January 2005 totalled £nil.

#### Interests in transactions

Anne Marsden, one of the EAZ's Trustees, is also an officer of the NCH Action for Children Charity, which runs one of the EAZ's education projects. The EAZ refunds the costs of two members of NCH staff who work on the project at a cost of £nil (2004: £64,000) and NCH provides as contributions in Kind the other costs of running the project such as accommodation, project management and resources, which have been given a value of £nil (2004: £40,140).

#### 12 Trustees' and officers' insurance

In accordance with normal commercial practice the Forum has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Forum business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 9 January 2005 was £1,080 (2003-2004: £1,080).

The Forum also insures against any losses of money or goods resulting from fraud or dishonesty by Forum employees. The insurance provides cover up to £50,000 and the cost for the period ended 9 January 2005 was £100 (2003-2004: £100).

#### 13 Tangible fixed assets

	Furniture and equipment	Computer equipment and software	Total Period ended 9 January 2005	Total Year ended 31 March 2004
	£000	£000	£000	£000
Cost				
At 1 April 2004	0	26	26	26
Capital expenditure	0	0	0	0
Disposals	0	(26)	(26)	0
At 9 January 2005	0	0	0	26
Depreciation				
At 1 April 2004	0	26	26	22
Charged in period	0	0	0	4
Disposals	0	(26)	(26)	0
At 9 January 2005	0	0	0	26
Net book value				
At 9 January 2005	0	0	0	0

The net book value at 9 January 2005 represents fixed assets used for

	Furniture and equipment	Computer equipment and software	Total 9 January 2005	Total 31 March 2004
	£000	£000	£000	£000
Direct charitable purposes				
Educational provision	0	0	0	0
Support services	0	0	0	0
Other purposes				
Management and administration	0	0	0	0
Fundraising	0	0	0	0
	0	0	0	0

#### Source of funding for assets acquired

	Total 9 January 2005 £000	Total 31 March 2004 £000
DfES EAZ grant	0	0
Other DfES grants	0	0
Other Government grants	0	0
Private sector capital sponsorship	0	0
	0	0

During the year the Zone acquired fixed assets to the value of £97,407 for schools within the Zone.

#### 14 Stocks

There were no stocks of material value held as at 9 January 2005 and 31 March 2004.

#### 15 Debtors

•	9 January 2005 £000	31 March 2004 £000
Prepayments	0	0
Sundry debtors	0	9
_	0	9
16 Creditors: amounts falling due within one year	9 January 2005 £000	31 March 2004 £000
Taxation and Social Security	0	0
Sundry Creditors	0	8
Accruals	0	10

#### 17 Pensions and similar obligations

Period ended 9 January 2005 £000 Other pension costs comprise	Year ended 31 March 2004 £000
Defined benefit scheme - regular cost 14	18

0

18

The Zone's employees belong to the following pension scheme.

The Greater Manchester Pension Scheme for Bolton Metropolitan Borough Council

Nature of scheme	Defined benefit
Zone's contribution rate in April 2004 - January 2005	10.70%
Zone's contribution in April 2004 - January 2005	£13,818

Contributions are actuarially valued. The date of the last full actuarial valuation was 31 March 2001 at which date the scheme was 105% funded. The next valuation was as at 31 March 2004 but this has not yet been completed.

The Greater Manchester Pension Scheme is a multi-employer scheme. As such the Zone is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

#### 18 Restricted funds

The incoming funds of the EAZ comprise the following balances of grants to be applied for specific purposes

Balan	ce at Incoming	Expenditure	Balance at	Total
1	April resources	gains, losses	9 January	31 March
	2004	and transfers	2005	2004
	£000 £000	£000	£000	£000
DfES recurrent grant	22 777	(799)	0	22
DfES fixed asset grant	0 0	0	0	0
Other	7 125	(132)	0	7
	29 902	(931)	0	29

DfES EAZ recurrent grant must be used for the normal running costs of the EAZ including salaries and related costs, overheads, repairs and maintenance and insurance.

#### 19 Unrestricted funds

Pe	eriod ended 9 January	Year ended 31 March
	2005	2004
	£000	£000
Brought forward at 1 April 2004	64	10
Excess of income over expenditure	(64)	54
Carried forward at 9 January 2005	0	64

#### 20 Analysis of net assets between funds

Fund balances at 9 January 2005 are represented by

	Unrestricted funds £000		Total Period ended 9 January 2005 £000	Total Year ended 31 March 2004 £000
Tangible fixed assets	0	0	0	0
Current assets	0	0	0	111
Current liabilities	0	0	0	(18)
Deferred income	0	0	0	0
	0	0	0	93

#### 21 Capital commitments

There were no capital commitments as at 9 January 2005.

#### 22 Lease commitments

There were no lease commitments made during the period.

#### 23 Contingent liabilities

In the event of the sale or disposal by other means, of any asset for which a DfES grant was received, the Forum shall if it does not re-invest the proceeds, repay to the Secretary of State for Education and Skills the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Forum serving notice, the Forum may repay to the Secretary of State sums determined by reference to

- the value at that time of the EAZ's assets held for the purpose of the Forum; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

As at 9 January 2005 there were no contingent liabilities (£55,000 at 31 March 2004).

### 24 Reconciliation of net (outgoing)/incoming resources to net cash (outflow)/inflow from operating activities

Period 9 Ja	ended nuary 2005 £000	Year ended 31 March 2004 £000
Net (outgoing)/incoming resources	(93)	65
Interest received	(4)	(3)
Depreciation	0	4
Decrease in debtors	9	31
(Decrease) in creditors	(18)	(92)
Net cash (outflow)/inflow from operating activities	(106)	5

# Accounts Direction given by the Secretary of State for Education and Skills, with the approval of the Treasury, in accordance with the School Standards and Framework Act

- 1 The Education Action Zone shall prepare accounts for the financial year ended 31 March 2000 and subsequent financial years comprising
  - a a Trustees' Report;
  - b a statement of financial activity and an income and expenditure account;
  - c a balance sheet;
  - d a cash flow statement; and
  - e a statement of total recognised gains and losses,

including such notes as may be necessary for the purposes referred to in the following paragraphs.

- The accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the end of the financial year.
- 3 Subject to this requirement, the accounts shall be prepared in accordance with
  - a generally accepted accounting practice in the United Kingdom (UK GAAP), including the provisions of the Statement of Recommended Practice, Accounting by Charities. Forums shall not adopt Financial Reporting Standard, Small Entities;
  - b the disclosure and accounting requirements contained in 'The Fees and Charges Guide' (in particular those relating to the need for appropriate segmental information for services or forms of service provided) and in other guidance which the Treasury may issue from time to time in respect of accounts which are required to give a true and fair view;

insofar as these are appropriate to Bolton Education Action Zone and are in force for the financial year for which the statement of accounts is to be prepared.

- The statement of financial activity, income and expenditure account and balance sheet shall be prepared under the historical cost convention. Assets and liabilities shall be included in the balance sheet at the following amounts
  - a fixed assets at cost (or valuation) less an appropriate provision for depreciation;
  - b fixed asset investments at market value;
  - c current assets (other than investments) at the lower of cost and net realisable value; and
  - d liabilities at their settlement value.
- The value of contributions from business, both assets and services, should be brought into account at a reasonable estimate of their value to the Forum, i.e. they should be valued at what it would have cost the Forum to have purchased the required asset or service itself.
- 6 This direction shall be reproduced as an appendix to the accounts.

Signed by the authority of the Secretary of State for Education and Skills.

Barnaby Shaw Head of Standards Division Department for Education and Skills 26 February 2002

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